



GAIL FARBER, Director

## COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

November 10, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CHANGE ORDERS FOR EXTRA WORK FOR A CONSTRUCTION CONTRACT  
BIG TUJUNGA DAM SEISMIC REHABILITATION  
AND SPILLWAY MODIFICATION  
UNINCORPORATED COMMUNITY OF SUNLAND  
(SUPERVISORIAL DISTRICT 5)  
(3 VOTES)**

**SUBJECT**

This action is to approve change orders for extra work in connection with the construction contract for Big Tujunga Dam Seismic Rehabilitation and Spillway Modification in the unincorporated community of Sunland being performed by Shimmick Construction Company, Inc.

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

Approve and delegate authority to the Director of Public Works or her designee to execute two change orders with Shimmick Construction Company, Inc., for a total amount of \$1,412,138.21, for direct and indirect costs associated with delays in performing the consolidation grouting work and using a revised grout mix, for Project ID No. WRDD000005 - Big Tujunga Dam Seismic Rehabilitation and Spillway Modification, in the unincorporated community of Sunland.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to obtain the County of Los Angeles Board of Supervisors' (Board) approval for two change orders with Shimmick Construction Company, Inc., for a total amount of \$1,412,138.21 for direct and indirect costs associated with delays in performing the consolidation grouting work and using a revised grout mix for the project. Approval of these change orders will support the timely completion of the project while avoiding delays and the potential for claims. The descriptions of the change orders, estimated costs, and the necessary time extensions are listed in the enclosure.

A detailed description of the change orders, estimated costs, and the necessary time extensions is set forth in the enclosure.

The Director of Public Works or her designee has been authorized by your Board to order changes in work up to \$150,000 for flood control contracts. Enclosed for your Board's authorization are change orders in excess of the Director of Public Works' delegated limit, which are required to complete the project.

**Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). Approval of these changes will provide improved infrastructure to better serve the public and enhance the quality of life in the affected community.

### **FISCAL IMPACT/FINANCING**

These changes in work will have no impact to the County General Fund.

The funding for Project ID No. WRDD000005 is included in Fiscal Year 2009-10 Flood Control District Budget.

The total amount of the two change orders is \$1,412,138.21. As set forth in more detail in the enclosure, both change orders have a direct cost component and an indirect cost component. The direct costs of both change orders associated with the delays in performing the consolidated grouting work and using a revised grout mix amount to \$377,138.21. The indirect or delay costs associated with both change orders encompass 69 compensable days of delay incurred by Shimmick Construction Company, Inc., as a result of performing the additional work, in the amount \$1,035,000.

With respect to the indirect costs associated with the delay, the original contract amount approved by your Board on June 26, 2007, included a change order contingency to pay for potential delays and compensable time extensions incurred on the project in the amount of \$1,035,000. Therefore, no additional funding is required to pay for the indirect, compensable delay costs of \$1,035,000.

However, with respect to the direct costs associated with the delays in performing the consolidated grouting work and using a revised grout mix, an additional amount of \$377,138.21 is required.

Detailed cost breakdowns for the change orders, together with contract cost summaries, are included in the enclosure.

The original contract amount was reported in previous cost summaries as \$88,533,680. However, as stated above, the contract included \$1,350,000 as a change order contingency to pay for compensable time extensions. The original contract amount, excluding this contingency, is \$87,183,680. In order to report contract cost increases more accurately, the original contract amount is shown as \$87,183,680 in the enclosed contract cost summary.

If these change orders are not approved, contract completion will be delayed and increased costs incurred.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract for the construction of public works improvements was awarded by your Board to a responsible contractor with the lowest responsive bid in accordance with the State Public Contract Code, your Board's directives, and as recommended by the Director of Public Works or her designee.

This project will modify Big Tujunga Dam to meet current seismic and spillway requirements of the State Department of Water Resources - Division of Safety of Dams and restore full operation of the dam. The maximum water storage level behind the dam is currently restricted by the State due to safety concerns. This project will rehabilitate and strengthen the dam by creating a thick-arch dam that will reduce the risk of a seismically induced failure. This project will also replace the outlet valves and control systems for reliable release of water for flood control and water conservation purposes.

## **ENVIRONMENTAL DOCUMENTATION**

This action is covered under the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program previously approved by your Board on January 31, 2006.

## **CONTRACTING PROCESS**

The contract provides that the contractor be compensated for the work resulting from changes to the original plans and specifications or changed conditions encountered during the course of construction. The change orders are based on contract unit prices, time and materials, or negotiated under the provisions of the contract specifications.

The contract further contains a stipulated extended daily overhead rate of \$15,000 per day, which is used in determining the compensation due to Shimmick Construction Company, Inc., for its extended nondirect overhead costs associated with the performance of the consolidation grouting work.

The proposed change orders include \$1,035,000 for the cost associated with 69 days of compensable delay costs multiplied by the agreed daily rate of \$15,000.

The methods for arriving at the costs of the change orders are included in the enclosure.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the requested change orders by your Board will ensure the timely completion of work under the contract and result in complete and usable facilities.

## **CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

The Honorable Board of Supervisors

11/10/2009

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Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:JTS:ss

Enclosures

c: Chief Executive Office (Lari Sheehan)  
County Counsel  
Executive Office  
Office of Affirmative Action Compliance

CHANGE ORDERS (AUTHORIZE)  
November 10, 2009

PROJECT ID NO. WRDD000005 - BIG TUJUNGA DAM SEISMIC REHABILITATION AND SPILLWAY MODIFICATION (in the unincorporated community of Sunland), Supervisorial District 5, Contractor: Shimmick Construction Company, Inc.

Project Description:

Construction of thick-arch dam, spillway, abutment wall, control house and generator buildings; perform common excavation, rock excavation, consolidation grouting, electrical and instrumentation work, and plumbing work; and install penstocks, butterfly and jet-flow valves, and a generator system; and other appurtenant work.

Changes in Work:

(1) Consolidation Grouting Delay Costs	\$1,250,576.00
(2) Interim Grouting Operations	<u>161,562.21</u>
Total	<u>\$1,412,138.21</u>

Description of Changes:

(1) The contractor was required to perform additional work to the native rock as part of his effort to consolidate the foundation for the new dam. The requested change will compensate the contractor for increased direct costs (\$350,576) and indirect costs due to the additional 60 days required to perform the unforeseen work ( $60 \times \$15,000 = \$900,000$ ). Specifically, this change pays the contractor for standby equipment and the escalation of labor and materials and extended overhead.

(2) Your Board previously approved a change in work for \$88,700 to use a revised grout mix in lieu of the specified mix for consolidation of the proposed foundation. The cost of this work will exceed the previous estimate by the amount shown and includes the direct cost (\$26,562.21) and payment for nine days of additional time required to complete the work ( $9 \times \$15,000 = \$135,000$ ).

The cost for Item 1 was negotiated as provided in Subsection 3-2 of the contract specifications. The cost for Item 2 will be based on time and materials as provided in Subsection 3-3 of the contract specifications.

Financial Information:

Funding for these change orders are included in the Fiscal Year 2009-10 Flood Control District Budget.

Revised Contract Amount:

Original contract amount	\$87,183,680.00
Changes in work approved under delegated authority	217,050.06
Changes in work previously approved by your Board	3,582,276.90
Change orders to be authorized	<u>1,412,138.21</u>
Revised contract amount	<u>\$92,395,145.17</u>
Percent total change to original contract amount	6.0%

HH:ss